

26 March 1985
7 PM

JOHN TERINO: Involved are 100 time cards out of approximately 100,000 time cards. General Electric has indicated its willingness to reimburse the government for any improper charges that might have been made.

TROUTE: The Pentagon could suspend its contracts with GE on the basis of the indictments alone. Convictions might cut GE's government business for up to three years. But that would be difficult, since the Pentagon relies on General Electric for everything from jet engines to washing machines.

Reaction to Major's Death

JENNINGS: The Soviet Union and the United States still disagree over why an American major was shot by a Soviet soldier in East Germany on Sunday. The Soviets said today that the death of Major Arthur Nicholson was regrettable; but, say the Soviets, he was inside a restricted zone.

In Western Europe today, the Secretary of Defense, Caspar Weinberger, clearly found that an unacceptable explanation.

Here's Dean Reynolds.

DEAN REYNOLDS: In Luxembourg for a NATO meeting, Defense Secretary Weinberger was angry over what he called the murder of Major Nicholson.

SECY. WEINBERGER: We think it was a completely unjustified act, and a very reprehensible thing in every way.

REYNOLDS: And Weinberger drew a contrast between Soviet behavior against an unarmed American soldier and the way the U.S. handles such matters.

SECY. WEINBERGER: The Soviets had an observer in our restricted area, clearly where he shouldn't have been, a few days ago. And we treated him

in a totally different way.

REYNOLDS: Weinberger was talking about an incident last Wednesday in Hof, West Germany. The Pentagon says three Soviet officers were detained by the U.S. First Armored Division as the Soviets drove through a restricted area near a West Germany military base, taking pictures as they went.

And the same thing happened January 25th during NATO's Reforger 85 military exercise in West Germany. Camera-toting Soviet observers bearing into a restricted area and being stopped.

In neither case did the Americans use force.

Under a postwar agreement, the U.S. and Soviet Union can observe each other's military presence in the two Germanys, but there are restrictions. When the Soviets violated them last week and earlier, they were simply sent back to their quarters, and their cameras were confiscated.

In private to his fellow ministers today, Weinberger likened the Nicholson shooting to the Soviet downing of Korean Airlines Flight 007 in 1983. Examples, he said, of a shoot-first-and-ask-questions-later mentality.

Nonetheless, Pentagon officials say the United States has no plans to curtail its mission in East Germany, nor to be any tougher with the Soviets in West Germany. "Our view," said one official here, "is that you take the cameras away and send them home. You don't shoot unarmed soldiers."

JOHN MCWETHY: The Soviet news agency Tass today charged that Major Nicholson had secretly approached a Soviet equipment storage area, opened a window and took pictures. The entire incident taking place inside a restricted zone.

State Department spokesman Bernard Kalb, while refusing to say what Nicholson was actually doing just before he was shot, did say:

BERNARD KALB: We can only say that our reaction is one of disgust.

This tragic event will not promote the improvement of U.S.-Soviet relations.

MCWETHY: It may not promote improvements, but in private U.S. officials are making it clear that the incident will not harm relations, either. There are three reasons:

One, the incident itself is being judged in private to have been an accident, the act of a single Soviet soldier operating on his own.

Two, unlike the shoot-down of the Korean airliner, the Soviets in this case have been quick to provide an explanation in private, seeking out American diplomats to tell their story, quick to express regret.

Three, Nicholson was, according to U.S. sources, doing pretty much what the Soviets accused him of doing, with one major exception. He was not physically in a restricted zone.

ABC News has learned, in private, the Soviets have all but acknowledged that. They are claiming, however, that it makes little difference, because they say Nicholson could not have gotten to where the incident occurred without traveling through a restricted zone.

So, despite tough talk in public, officials say the Reagan Administration has no intention of letting this incident upset the trend toward improved relations with the Soviets.

NBC NIGHTLY NEWS
7:00 P.M.

NBC-TV
MARCH 26

General Electric Indicted

ROGER MUDD: General Electric, the manufacturer of the warhead system for the Minuteman missile, was indicted today on more than a hundred counts of fraud. A federal grand jury charged GE with overcharging the government \$800,000 in labor costs for the system by altering employee time cards, among other things.

James Polk reports.

JAMES POLK: This is currently the major weapon of America's military might, the Minuteman missile, carrying three nuclear warheads with 80 times the explosive power of the atomic bomb that destroyed Hiroshima.

General Electric is the defense contractor which packages it. It makes the nose cone that contains the warheads, the electronic gadgetry to jam Russian radar, and the trigger that activates the bomb, all put together at this aging factory in a quiet university neighborhood near downtown Philadelphia.

Today a federal grand jury indicted GE for cheating on this contract in a complicated scheme of forging workers' time cards to conceal \$800,000 in cost overruns by shifting those bills to another Pentagon contract.

EDWARD DENNIS: We have no reason to believe that GE's engineering workmanship was substandard in any way. This is a case of contract mischarging by GE.

POLK: The company denied any fraud.

JOHN IERINO: General Electric has indicated its willingness to reimburse the

government for any improper charges that might have been made.

POLK: The Pentagon says it will consider whether to ban GE from any future defense work. But because GE is one of the nation's largest defense contractors, doing four billion dollars of work a year, it may be too big for the Pentagon to be able to afford to do that.

Reaction to Major's Death

MUDD: Defense Secretary Caspar Weinberger reacted sharply today to the killing of Army Major Arthur Nicholson in East Germany the other day. At the meeting of NATO ministers in Europe, he likened it to Russia's downing of the Korean airliner 18 months ago.

Don Porter reports on Weinberger's remarks and on the spy game that's come to light as a result of the killing.

DON PORTER: Defense Secretary Weinberger told NATO defense ministers the shooting death of Major Nicholson was nothing less than murder, the outgrowth of Weinberger described as the Soviets' Korean airliner mentality: shoot first and ask questions later.

SECY. WEINBERGER: I don't know how it can be avoided in the future, if you have people who shoot without warning.

PORTER: Today in Luxembourg, the Pentagon listed a half-dozen earlier incidents of what officials described as Soviet harassment of U.S. military observers in East Germany.

January 30th, 1980. A U.S. vehicle is rammed by a Soviet vehicle. One American suffers broken ribs.

October 10th, 1980. The Soviets stop an American vehicle. The occupants are

dragged out and beaten.

May 19th, 1982. A U.S. vehicle is stopped, the driver pulled out, beaten, and then tied up.

February 23rd, 1983. The Soviets fire six shots at a U.S. vehicle. No one is injured.

March 23rd, 1983. A Russian truck rams an American vehicle. No one hurt.

And March 28th, 1983. A Soviet officers fires warning shots at a U.S. vehicle. Again, no one injured.

By contrast, the Pentagon cited two recent instances in which Soviet observers were caught too close to NATO military operations in West Germany.

The first, January 25th. Soviet observers were stopped from taking pictures of large-scale military exercises. The Russians were detained, turned over to local police, and eventually returned to their own base.

And less than a week ago, on March 25th, a Soviet observer penetrated an off-limits area near the West Germany town of Hof.

SECY. WEINBERGER: The Soviets had an observer in our restricted area, clearly where he shouldn't have been, a few days ago. And we treated him in a totally different way.

PORTER: A senior U.S. official made that difference plain. "We take the cameras away and send the Russians home," he said. "We do not shoot unarmed soldiers."

Pentagon officials here made it clear Major Nicholson will be replaced, and that the increasingly dangerous legalized spy missions into East Germany will continue.

CBS EVENING NEWS
7:00 P.M.

CBS-TV
MARCH 26

MX Missile Program

DAN RATHER: In a close vote, the House of Representatives tonight gave President Reagan a major victory by approving the building of 21 more MX missiles. The Senate voted its approval last week. Tonight's House vote, which followed some of the most intense lobbying Capitol Hill has seen in years, virtually guarantees the missiles will be built.

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RATHER: Pentagon correspondent David Martin reports tonight how the MX missile is only the latest addition to a nuclear shadow world that little do most Americans know exists all around us.

DAVID MARTIN: Twenty-one MX missiles are only a small part of a nuclear arsenal which includes an estimated 26,000 warheads and is supported by a vast and largely unknown network of everything from ammunition bunkers to communications antennas. Even the National Weather Service is part of the network. Twice a day, every day, it updates a bulletin which predicts radioactive fallout patterns if nuclear war were to break out.

WILLIAM ARKIN: Most people are not aware of the size of the nuclear infrastructure. Most people are not aware of how pervasive it is.

MARTIN: Arkin is the author of a soon-to-be-published exhaustive catalog of the nuclear network, a catalog which Pentagon officials denounce as a road map for everybody from Russian war planners to terrorists to anti-nuclear demonstrators.

There are 28 states where nuclear weapons are stored, Arkin says, in some cases very close to populated areas.

That's the Manhattan skyline behind this pier where Navy ships pull in to load nuclear weapons stored in these bunkers. Arkin says some 300 nuclear weapons are stored at this depot located in the San Francisco Bay area.

Officially, the Pentagon refuses to confirm or deny the presence of nuclear weapons at any location.

Then there are antenna farms for the communications networks, like Mystic Star, which the President would use to command his nuclear arsenal in wartime.

Senior military commanders would retreat to this bunker dug into a Pennsylvania hillside if their primary command center at the Pentagon were destroyed.

ARKIN: You have a software system, a nervous system for the arsenals which is larger than the arsenals, by far, much more complex.

MARTIN: With MX, President Reagan says he would have a stronger hand at the arms control talks which he hopes will someday eliminate nuclear weapons altogether.

Looking at all these facilities and seeing how deeply embedded they are in everyday life, it is difficult to escape the conclusion that, with or without the MX missile, the nuclear network is here to stay.

General Electric Indicted

RATHER: One of the nation's biggest defense contractors, General Electric, was indicted today, more than a hundred criminal counts of defrauding the U.S. Government on a \$47

million nuclear warhead system contract.

Ray Brady reports the charges and denials.

RAY BRADY: It's the nation's fourth-largest weapons supplier, and today General Electric became the biggest defense contractor ever indicted by the government for criminal fraud.

EDWARD DENNIS: This afternoon a federal grand jury returned a 112-count indictment charging General Electric Company with making false claims and false statements to the United States.

BRADY: The charges involve a contract for nose cones attached to Minuteman ICBMs. The nose cones are made at this GE plant in Philadelphia. It is here, the indictment claims, GE swindled the government through dishonest bookkeeping. The government charges that when GE ran up labor costs which went beyond the limit of one contract, it altered employee time cards without the employees' knowledge, charging their labor to another project where there was no limit on labor costs. Result? GE allegedly bilked the government out of \$800,000.

This afternoon GE said it's all an honest mistake.

JOHN TERINO: First, there was no criminal wrongdoing on the part of General Electric or its employees.

BRADY: The Defense Department told CBS News today that it's currently conducting more criminal investigations of defense companies than ever before. Defense industry insiders, meanwhile, say that crackdowns like the one announced today are part of an Administration strategy, one designed to make increases in defense spending more acceptable to Congress.

Reaction to Major's Death

RATHER: The United States and Soviet Union traded more charges today over Sunday's killing of U.S. Army Major Arthur Nicholson, Jr., by the Soviets in East Germany. But on a more personal level, Bert Quint reports, other members of Nicholson's small specialized unit were feeling their loss.

BERT QUINT: Major Nicholson's fellow officers at the American mission near Potsdam in East Germany asked local police to keep all visitors from their headquarters today.

MAN: I'm sorry, you're going to have to leave. There's no reason for you to be here. I can't answer any questions.

QUINT: A high-ranking U.S. official told CBS News, "This is an intelligence operation. We want to maintain a low profile."

That's difficult for Americans based practically alongside the command headquarters for 380,000 Soviet troops in East Germany.

At her home in West Berlin, Nicholson's widow, Karen, received a telephone call of condolence from President Reagan.

Last night the Major's body was sent to a military mortuary in Frankfurt for an autopsy. It is to be returned to the United States for burial Thursday in Arlington National Cemetery. An Army inquest into the shooting has been ordered.

Defense Secretary Weinberger insisted today it was totally unjustified and without warning.

SECY. WEINBERGER: He was entirely in the places where it was agreed that our observers could go.

QUINT: In East Germany today, CBS News took pictures

of Soviet soldiers and vehicles, perhaps in the same surreptitious way members of the liaison teams do.

Moscow called Nicholson's death regrettable, but today reiterated the charge he had ignored a sign, like this one, saying the area was restricted.

Despite the incident, the Americans have not suspended their operation here. Washington apparently has no intention of giving up the chance to keep an eye on troop movements in the country that is the Soviet Union's first line of defense and potential offense.

The following transcripts are available to read or reproduce on the premises, SAF-AAR 4C 881.

Interview with Dr. Joyce Starr
Good Morning America, WJLA-TV
March 15, 7:00 A.M. TR-136

High School ROTC's
Eyewitness News, WDVM-TV
March 22, 6:00 P.M. TR-137

The New Patriotism
NBC Nightly News, WRC-TV
March 22, 7:00 P.M. TR-138

Fire at the Air Force Base
Ten O'Clock News, WTTG-TV
March 22, 10:00 P.M. TR-139

Kidnapings in Beirut
Ten O'Clock News, WTTG-TV
March 22, 10:20 P.M. TR-140

USS Missouri
Channel 4 News, WRC-TV
March 23, 11:00 P.M. TR-141

The Military/Drinking Age
News Notes and Comments, WTOP
Radio
March 24, 5:52 P.M. TR-142

MX Missiles
Ten O'Clock News, WTTG-TV
March 24, 10:00 P.M. TR-143

Oil Spill in Fort Belvoir
News 7, WJLA-TV
March 24, 11:00 P.M. TR-144

Investigations of Deaths at
Ifar Melki
CBS Evening News, WDVM-TV
March 25, 7:00 P.M. TR-145

Tasman Link/Naval Exercise
Morning Edition, WAMU-FM
March 25, 7:00 A.M. TR-146

Major Arthur D. Nicholson, Jr.
Dan Rather Commentary, WTOP
Radio
March 25, 5:40 P.M. TR-147